

Grantor: Denali Commission 510 "L" Street, Suite 410
Anchorage, Alaska 99501

Grantee: City of Klawock P.O.Box 469 Klawock, Alaska
99925

Project Name: 3.5-Mile Creek Water Source

Project Number: 0002-DC1999-ED1

Accounting Code: 95X1200 95870000 95-67

Project Officers: Joel Neimeyer

Donna J. Williams

Grantor

Grantee

PROGRESS REPORT

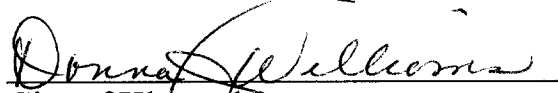
Quarter Dates June 30, 2000

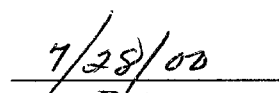
A. Project Status

The 3.5 Mile Water Source project underway now. The environmental alternatives and final report went to USDA-RD this week. CE2 Engineering, Inc. was contracted to provide the needed data for the report. The stream gauging is ongoing and stream level gauges are being ordered this month as well. The project is on schedule, and on budget to date. We have had no problems at this point. PHS, Engineer Brad Rae will be on site the week of August 1, 2000 to continue the site selection process and begin the geotechnical study process.

B. Project on schedule.	YES	NO
C. Project on budget.	YES	NO
D. Project problems.	YES	NO

If so, planned action to address problems:


City of Klawock
Donna J. Williams, Mayor


Date

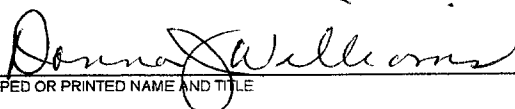
City of Klawock										
3.5 Mile Creek Water Source										
Cost Estimates			Funded By	Quantity	Units	Unit Cost	Total Cost	Encumbered	Due Rmkt	Balance
Stream Gauge monitoring (ongoing) by USGS for water year #2			Denali	1	year	27,000	27,000			27,000
Raw water treatability study (ongoing) by City			Denali	1	job	10,000	10,000			10,000
Aerial survey and photography of watershed area			Denali	1	job	22,500	22,500			22,500
Identify water intake structure site			Denali	1	job	10,000	10,000			10,000
Geotechnical study/testing of water intake site and adjacent areas			Denali	1	job	35,000	35,000			35,000
Geotechnical study/testing of water transmission pipeline corridor			Denali	1	job	20,000	20,000			20,000
GPS topographical survey of water intake site and adjacent areas			Denali	1	job	20,000	20,000			20,000
Water transmission pipeline route survey			Denali	1	job	15,000	15,000			15,000
Water intake site plan and access roadway design			Denali	1	job	12,500	12,500			12,500
Engineered design of reinforced concrete intake structure, self cleaning screens, and requisite valve			Denali	1	job	30,000	30,000			30,000
Design water transmission pipeline w/air-vac and control valves for either/both sources of withdrawal			Denali	1	job	25,000	25,000			25,000
Environmental permitting and feasibility reviews			Denali	1	job	15,000	15,000	7,190	7,190	7,810
							242,000			234,810
Stream Gauge monitoring year #1			City				25,000			
		Total Costs					267,000			

REQUEST FOR ADVANCE OR REIMBURSEMENT <i>(See instructions on back)</i>		OMB APPROVAL NO. 0348-0004		PAGE 1 OF 2 PAGES	
		1. TYPE OF PAYMENT REQUESTED a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL		2. BASIS OF REQUEST <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED Denali Commission		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY 0002-DC 1999-EDI		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST 1	
6. EMPLOYER IDENTIFICATION NUMBER 92-004 7641	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) 03/00 TO (month, day, year) 06/00			
9. RECIPIENT ORGANIZATION Name: City of Klawock Number 550 Summit Street and Street: P.O. Box 469 City, State Klawock, Alaska 99925 and ZIP Code:		10. PAYEE (Where check is to be sent if different than item 9) Name: City of Klawock Number 550 Summit Street and Street: P.O. Box 469 City, State Klawock, Alaska 99925 and ZIP Code:			
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED					
PROGRAMS/FUNCTIONS/ACTIVITIES ►		(a)	(b)	(c)	TOTAL
3.5 Mile Creek Water					
a. Total program outlays to date (As of date)		\$ -0-	\$	\$	\$ -0-
b. Less: Cumulative program income		-0-			-0-
c. Net program outlays (Line a minus line b)		-0-			-0-
d. Estimated net cash outlays for advance period		7,190.			7,190.
e. Total (Sum of lines c & d)		7,190.			7,190.
f. Non-Federal share of amount on line e		-0-			-0-
g. Federal share of amount on line e		7,190.			7,190.
h. Federal payments previously requested		-0-			-0-
i. Federal share now requested (Line g minus line h)		7,190.			7,190.
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month				
	2nd month				
	3rd month				
12. ALTERNATE COMPUTATION FOR ADVANCES ONLY					
a. Estimated Federal cash outlays that will be made during period covered by the advance				\$ -0-	
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period				-0-	
c. Amount requested (Line a minus line b)				\$ -0-	

CERTIFICATION

I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.

SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL



TYPED OR PRINTED NAME AND TITLE

Donna J. Williams, Mayor

DATE REQUEST
SUBMITTED

07/28/00

TELEPHONE (AREA
CODE, NUMBER,
EXTENSION)

(907) 755-2261

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

- | Item | Entry |
|---|--|
| 2 | Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis. |
| 4 | Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement. |
| 6 | Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency. |
| 7 | This space is reserved for an account number or other identifying number that may be assigned by the recipient. |
| 8 | Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested. |
| <p>Note: The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.</p> | |
| 11 | The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or |

- | Item | Entry |
|------|---|
| | activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page. |
| 11a | Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees. |
| 11b | Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement. |
| 11d | Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance. |
| 13 | Complete the certification before submitting this request. |

**CITY OF KLAWOCK
ALASKA**

PO Box 469
Klawock AK 99925

Phone# (907)755-2261
(907)755-2262
Fax# (907)755-2403

"Site of the First Salmon Cannery in Alaska"

CHECK REQUEST

DATE:

7/28/00

VENDOR:

CE2 ENGINEERS, INC

PO Box 232946

ANCHORAGE, ALASKA 99523

ACCT CODE

ITEM/PURPOSE

AMOUNT

Environmental report

7,190

for 3-mile Creek Waters

Source - to be

Charged to Denali

Comm. funding

TOTAL

7,190

REQUESTED BY:

John Warren

APPROVED:

Donna Williams

City of Klawock

*P.O. Box 469
Klawock, Alaska
99925*

*Phone (907) 755-2261
Fax (907) 755-2403*

" Site of the first Salmon Cannery "

July 3, 2000

CE2 Engineers, Inc.
Mr. John Warren, PE
Engineering Division Manager
P.O.Box 232946
Anchorage, Alaska 99523

Dear Mr. Warren,

This letter is to award CE2 Engineers, Inc the contract for the Water Source Alternatives for the City of Klawock.. We will fax a contract for your signature on July 5, 2000.

Congratulations, we look forward to working with you on this project.

Sincerely,



Donna J. Williams
Mayor

CE2 Engineers, Inc.

June 28, 2000

Ms. Donna Williams, Mayor
City of Klawock
P.O. Box 469
Klawock, Alaska 99925

Re: Water Source Alternatives Study

Dear Ms. Williams:

I have worked in Klawock since 1988 and I am very familiar with the water source alternatives, the existing treatment system, raw water quality issues and regulatory requirements. In 1988, I provided the construction engineering services for your existing water treatment plant and backwash water treatment lagoon. Other work that I was involved in included the installation of a self cleaning water intake structure at half-mile creek, modifications to the wood stave water storage tank downtown to prevent water from stagnating in the tank and division of your water distribution system into two pressure zones. I have been involved in many discussions of new water source alternatives for Klawock over the last ten years with many local and regulatory officials. Lastly, I have designed water treatment systems, water intake structures, and water supply systems in Klawock, Hydaburg, Kasaan, Craig, Metlakatla, Mountain Point, Saxman, Kake, Hoonah, and Angoon; as a result, I am very knowledgeable regarding lake water quality, stream water quality, water treatment issues and the occurrence of groundwater throughout southeast Alaska.

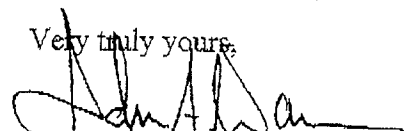
I am pleased to present our proposal to provide engineering services for the analysis of water source alternatives for Klawock. It is my understanding that you wish to complete a study of the alternatives for the City of Klawock water system. The study is required to address the feasibility of the alternatives, estimate construction costs, and estimate operation and maintenance costs associated with each alternative. The following scope of work is proposed for this project:

- Review existing information for the water source alternatives. This will include raw water quality, water source elevation, water source location, hydrogeology and the occurrence of groundwater, etc.
- Complete an analysis of treatment feasibility with the existing direct filtration treatment system based on projected water quality.
- Complete an analysis of transmission costs associated with each water source.
- Review capital construction costs associated with each water source.
- Review access issues and water rights allocations for each source.

- Review anadromous stream issues with respect to dam construction and water quality degradation due to spawning fish.
- Provide a report of findings and recommendations. The report will provide a general assessment of the feasibility of each alternative, operation and maintenance complexity and the cost associated with projected water quality and water source locations, and estimated construction costs.

We propose to provide the services as set forth above for a fee of \$7,190. A Fee Proposal is enclosed for your reference. If you have any questions or require further information, please call me at (907) 349-1010.

Very truly yours,



John A. Warren, PE
Engineering Division Manager

Enclosure

FEE PROPOSAL

Water Source Alternatives Study - Klawock, Alaska		Principal	Project Manager	Senior Engineer	Staff Engineer	General Superintendent	Senior Designer	Autocad Technician	Administrative Assistant	Amount
DATA COLLECTION & REVIEW										
1	Project planning, management and coordination	1	2						1	391
2	Data collection		1		3				2	456
3	Review of water source options		8		4					1,252
	Expenses									200
	SUBTOTAL									2,299
STUDY REPORT										
1	Project planning, management and coordination	1	2							345
2	Develop study report		24	1	8			6	2	3,969
3	Final corrections		2		1			1		373
4	Distribution of documents				1				1	129
	Expenses									75
	SUBTOTAL									4,891
	TOTAL LABOR HOURS	2	39	1	17			7	6	
TOTAL FEE										7,190

FEE PROPOSAL

Water Source Alternatives Study - Klawock, Alaska				
EXPENSE DATA				
EXPENSE ITEM	UNITS	QUANTITY	UNIT COST	AMOUNT
DATA COLLECTION & REVIEW				
Copy, mailing & misc.	job	0	75	0
Data collection costs	job	1	200	200
SUBTOTAL				200
STUDY REPORT				
Copying, mailing & misc.	job	1	25	25
Drawing & report reproduction	set	5	10	50
SUBTOTAL				75